

18 July 2007

Attention: Information Guidelines
Australian Energy Regulator
GPO Box 520
Melbourne VIC 3001

AERinquiry@aer.gov.au



Dear Sir/Madam

Electricity Transmission Network Service Providers - Information Guidelines

ENERGEX appreciates the opportunity to comment on AER's Electricity Transmission Network Service Providers – Information Guidelines. ENERGETX has reviewed and provided comment on these guidelines on the basis that the Transmission Information Guidelines are an indicator of the likely direction for the future Distribution Guidelines.

Based on the understanding that the distribution sector can expect a separate consultation process around the Distribution Guidelines, ENERGETX has conducted a review of the general issues and provides the following comments.

- Whilst the proposed Transmission Information Guidelines are not dissimilar to the current regulatory requirements for annual reporting and information disclosures within the distribution sector, ENERGETX is concerned with the level of detail of information requirement. In this regard, it is important that the Guidelines take account of the balance between the benefits and costs of the increased data and reporting requirements. For example, the disclosure requirements for financing transactions, cash flows and customer contributions in the Transmission Information Guidelines are onerous and would require a change to current processes. Combined with the requirement for historic information, it has the potential to materially increase compliance costs if it is similarly applied to Distribution. Due to the wider range and higher volume of data within the distribution sector, this will have a significant cost impact.
- In regards to audit assurance principles, it is described to be at the AER's discretion to require an audit before or after the submission of regulatory information. If the audit was conducted before the submission, then audit recommendations could be incorporated. However, if the audit is conducted after the submission, the Guidelines do not specify if the AER will request the resubmission of the corrected statement. If resubmission is required, depending on the level of change required, reasonable time will need to be allowed. Further guidance is required on this issue.



Enquiries
Sue Lee
Telephone
(07) 3247 6495
Facsimile
(07) 3247 6427
Email
suelee
@energex.com.au

Network Programming and Procurement
144 Edward Street
Brisbane Qld 4000

Corporate Office
150 Charlotte Street
Brisbane Qld 4000
GPO Box 1461
Brisbane Qld 4001
Telephone (07) 3407 4000
Facsimile (07) 3407 4609
www.energex.com.au

- It is recommended that the proposed pro forma templates be flexible to allow for differences in business operations across the NEM and to ensure the provision of useful and accurate information.
- The Transmission Information Guidelines require regulatory statements to be submitted within four months of the end of the regulatory accounting period. However, the Guidelines are unclear about which pro forma templates are required to be submitted as part of the regulatory reset process, as compared to pro forma templates to be submitted each year as part of the annual reporting process. It is recommended that the AER clarify the regulatory statement submission and ongoing reporting requirements.

ENERGEX submits that in consulting and finalising the Transmission Information Guidelines the AER consider the range of businesses and diversity of operations both across and within the transmission and distribution sectors.

Yours sincerely



Kevin Kehl
Director Revenue Strategy